

International Business News

France braces for latest reform protest

AFP, Paris
France braced for another day of street rallies against pension reform Saturday as rolling strikes cut the fuel pipeline to Paris airports and shut down most of the country's oil refineries.

High-school students have increasingly joined the protests against President Nicolas Sarkozy's plan to raise the minimum retirement age from 60 to 62, with riot police firing tear gas and arresting over 200 at student rallies on Friday.

Interior Minister Brice Hortefeux has told police to "limit the use of force to what is strictly necessary" when dealing with the students ahead of Saturday's protests, the fifth in less than six weeks.

Unions want to pummel the government into backing down on its pension reform plans, staging strikes on weekdays and mass demonstrations in cities at the weekend. Over 230 rallies are planned for Saturday, the CGT union said.

The strikes have shut down 10 out of France's 12 oil refineries, despite riot police being dispatched to keep the fuel flowing amid reports of panic buying. Fuel could run out at Paris Charles de Gaulle airport as early as Monday.

McDonald's to host "McWeddings" in HK

REUTERS LIFE! Hong Kong
Fast food giant McDonald's Corp is finding a new role for itself in Hong Kong -- as a wedding planner.

McDonald's, whose Golden Arches emblem is identified as an American cultural symbol, will offer a new "McWedding" service for couples in Hong Kong next year, local media reported.

McDonald's will offer "McWeddings" at three restaurants in Hong Kong, and will also host anniversary events, according to the Chinese-language Oriental Daily.

"Traditional weddings use cherries for the newlyweds to eat together and kiss. We will have French fries for them to kiss," the English-language newspaper South China Morning Post quoted Helen Cheung at McDonald's as saying.

"People said they'd dated here (McDonald's restaurants), or met here, and wanted to get married here ... We see this as a business chance," said Cheung, McDonald's director of corporate communications and relations in Hong Kong.

McDonald's started to accept reservation last week, Oriental Daily reported, adding at least one Hong Kong couple planned to take the chance as they often dated at McDonald's before they were engaged recently.



AFP
A man looks at an Audi sports car on display in showroom in Beijing yesterday. Booming auto sales in China have spurred manufacturers to step up production so fast that concerns over "blind investment" and overcapacity in the sector are emerging, analysts said.

Apec nations aim to boost agricultural productivity

REUTERS, Niigata, Japan

Asia Pacific nations agreed on Sunday to boost the region's agricultural productivity through technology transfer and information sharing as climate change and a fall in arable land threaten future food supplies.

The 21-member countries of the Asia Pacific Economic Cooperation (Apec) also called for "responsible" agricultural investment as rising acquisition of farmland in developing countries by other nations to ensure their own food supplies is causing friction with local people.

"Climate change will affect agricultural products a lot around the world in the foreseeable future," Phillip J Glyde, deputy secretary, department of agriculture fisheries and forestry of Australia, told a news conference.

He said Australia enjoyed a good harvest this year, but "the real challenge will be at the next twenty, thirty or fifty years to feed more people with less water, less land and climate constraint environment".

Thai Agriculture Minister Theera Wongsamut said the country, a big rice exporter, was going to adjust its irrigation systems after heavy rainfall due to the La Nina weather phenomenon caused serious disruption in some parts of the country.

Cuts will haul Britain back from edge: finance minister

AFP, London

Britain's finance minister said spending cuts to be unveiled this week will restore credibility to a country that had been on the brink of bankruptcy as he vowed Sunday to see the measures through to the end.

George Osborne said Wednesday's comprehensive spending review -- the biggest test yet for Prime Minister David Cameron's coalition government -- was now complete, some five months after it inherited a record deficit.

"Our plan is the plan that will restore credibility to the public finances," Osborne told the BBC.

"We have to see this through and the course I set out in the budget (in June) is the one that we have to stick to because people in this country know we were on the brink of bankruptcy.

"If we're going to have growth and jobs in the future, we've got to move this country into a place where people can invest with confidence."

DEVELOPMENT

Fight against hunger far from over

SOHEL PARVEZ

An elderly woman was standing on the footpath, holding a plastic tiffin box. Within the box was a Tk 10 note and some Tk 1 and Tk 2 coins.

Her ill health and shabby clothes were signs of destitution. The woman was begging down the road near the Police Box at Farmgate on a Saturday afternoon, making silent gestures to passers-by.

Right behind her, two posters, hung side by side on a government office boundary wall, read out a message -- United Against Hunger -- the theme for World Food Day.

She gathered less than Tk 20 until then, enough to buy 300 grams of rice and an egg. It was also the day that Bangladesh and other countries in the world call World Food Day.

The woman, who cannot speak audibly, is among nearly 100 crore people in the world, who go to sleep hungry. Bangladesh, a country with much progress in reducing poverty in the past 20 years, accounts for 6 crore people, a number that remained nearly constant for a decade.

The country has recorded economic growth at 5 percent a year, but steady population growth has pared down the gains.

"The problem has not gone away. Poverty has come down, but still a lot of people remain hungry," said M Asaduzzaman, research director of Bangladesh Institute of Development Studies (BIDS), presenting a keynote paper at a seminar on October 16, marking the World Food Day that calls for united efforts to fight hunger and malnutrition around the globe.

Asaduzzaman said such a theme has been observed for quite some time now and the UN bodies and other global influential groups have hosted several food summits to reduce hunger. But the problem remains at large as more people, in absolute numbers, remain malnourished.

"This is frustrating given that humanity, as a whole, now has the technological and organisational capacity to create a hunger-free world," said Asaduzzaman. "The reason may be that there is no unity of purpose in freeing the world from this scourge."

In the latest Global Hunger Index for 2010, Bangladesh, which holds nearly 1,000 persons per square kilometre, has attained slight progress but it still remains at the alarming level in terms of the hunger situation.

According to the report, Bangladesh has now one of the highest number of hungry or malnourished people, although food production is close to self-sufficiency.

Asaduzzaman said food security is linked with access to it. It is related to the cost of food and income or purchasing power of people, as well as public food distribution system.

And the cost of food, influenced by production costs, supply, profit for growers and traders, and the government's input subsidy and pricing policies, has an impact on



People line up at an open market sales point for rice. In the latest Global Hunger Index for 2010, Bangladesh, which holds nearly 1,000 persons per square kilometre, has attained slight progress but its hunger situation still remains dire.

purchasing power. The higher the cost of food, the lower the purchasing capacity.

In the past two years, following the 2007-08 price hike, growers produced an adequate amount of rice -- more than 3 crore tonnes -- to feed the nation. But the cost of the staple is on the rise, influenced by speculations of production shortfall, government procurement price and international market.

Along with rice, the prices of other essentials such as coarse flour, edible oil also increased in the last one year and thus eroded the purchasing capacity of fixed, low-income and poor people. It shows many people have to sacrifice their desires to have adequate nutritious diet.

"We aspire to eat fish and meat. But we cannot have those regularly for lack of income. We've fish once or twice a week. But meat may be on a fortnightly basis," said Muhammad Jahangir, a 35-year-old rickshaw puller, who has to run a family of seven, including his parents and four sisters.

He said the members of his family have to depend more on vegetables in their meals.

The BIDS researcher said there is a relationship between hunger and economic growth. The higher the per capita income, the lower the hunger index on an average, he said.

In the past one decade to 2010, per capita

income became almost double to \$750 from \$381 in 2000, when 48.9 percent of people lived below the poverty line.

"If you want to conquer hunger, you have to develop the economy," he said, with an emphasis on agricultural development.

"Investments for fostering agricultural and rural development and thereby ensuring food security from the side of availability, thus also ensures access to food through employment and income generation," Asaduzzaman said in his paper on Unity Against Hunger and Food Security.

One of the main constraints to boost agricultural growth and crop production is the gradual reduction of arable land as new settlements take place amid population growth.

While the green revolution, which has so far helped farmers bag good crops, may not be enough to ensure food available for all unless new seed technologies that are capable of resisting varied impact of climate change is adopted.

For this, investment in research and development of new technologies requires. In recent years, economists suggested increased investment for research and technology generation and extension. But budgetary allocations still remain low for the purpose.

In addition, to ensure food, especially for those living in grouping of extreme poor

about 20 percent of the total 15 crore population -- safety net measures need to be taken in a more focused manner so that the state spending reaches the target group.

"We have already different types of safety net schemes. Instead of going for further widening, it should be more focused, sharper to ensure that people in distress get the benefit," said KAS Murshid, research director of BIDS.

But most safety net programmes are in operation in the rural areas, followed by suburban and city corporations outside Dhaka.

Only open market sales of staple food are active in the capital, an abode of many floating and destitute people.

Perhaps, it is bad news for the street beggar, as she will have to depend on winning sympathy of pedestrians until she, along with many others like her, comes under the lens of policymakers.

Murshid said the problem of taking safety net schemes in Dhaka is that poor and homeless people are floating.

"That's why, it's difficult to take any development programme targeting these groups," he said: "A focused programme is needed to ensure that poor people in urban areas get access to basic services such as shelter and sanitation."

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TRADE

India launches diamond bourse

AFP, Mumbai

India, the world leader in the export of cut and polished diamonds, is taking a major step towards becoming a global trading centre for the gemstone with a newly launched diamond exchange.

The Bharat Diamond Bourse (BDB), touted as the world's largest diamond trading centre, opens Sunday in India's financial capital Mumbai more than 20 years after the idea was first proposed.

India's bid to become a diamond hub to match Antwerp in Belgium and Tel Aviv in Israel has had a bumpy ride, overcoming contractor disputes, floods, fires and charges of misuse of funds.

The three million square foot (287,700 square metre) exchange will bring export and trading firms, banks, vaults, a customs department and investors under one roof, in an eight-tower complex in Mumbai's main commercial district.

"With this, Mumbai will be the largest diamond hub in the world," BDB president Anoop Mehta said of the 11-billion-rupee (240-million-dollar) project.

Mumbai's diamond trade currently operates from cramped offices in three buildings in the city's south.

Traders will shift to the state-of-the-art, high-security complex by December, Mehta told reporters at the bourse during a preview for journalists last week.

The exchange has 900 trader-members and another 1,400 provisional members.

Bourse officials showed off the customs department and a "strong room" for storing diamonds intended for export.

"All segments of the diamond business will get streamlined by coming under one roof, ensuring economy of trade and better work conditions," said Darshan Lakhani of Mahima Gems, a Mumbai-based diamond



A model displays a natural yellow 42.02 carat diamond at a public auction show in Mumbai, India, a world leader in the export of cut and polished diamonds, took a giant step in becoming a global trading centre for the gemstone Saturday with the launch of a new diamond bourse.

manufacturer.

In earlier years, exporters had to carry diamonds across the city in order to get clearances from the customs department.

India is the world's largest cut diamond exporter, with annual exports of around 28 billion dollars, but trading volume is negligible.

"We need to grow as a diamond trading centre, to match Antwerp and Israel," said

Mehta.

India's diamond industry could grow by an average 10 to 15 percent each year in the next five years, as the new bourse attracts global traders, officials said.

The United States is currently the largest diamond consumer, accounting for 40 percent of the market, compared to seven percent for India and four percent for China.

China is a growing rival to India's

dominance of the cut-diamond market, sourcing stones from Zimbabwe, Angola and the Democratic Republic of Congo.

A Gujarat-based firm, Surat Rough Diamond Sourcing (India), is in talks with Zimbabwe's government to train young Zimbabwean traders to cut diamonds, in return for a regular supply of rough stones from the sanctions-hit African nation.